

Report to CABINET

Selection of preferred developer

Portfolio Holder:

Cllr E Taylor – Cabinet Member for Housing and Licensing

Officer Contact: Emma Barton – Deputy Chief Executive (Place)

Report Author: Paul Clifford – Director of Economy

20th January 2025

Reason for Decision

To appoint Rowland Homes to develop land at South Chadderton following the completion of a competitive land sale process. Rowland's will deliver 149 homes, including 60 affordable homes with 15 for Social Rent. All homes constructed to the low carbon 'Future Homes Standard'.

Recommendations

To select Rowland Homes for the purchase for the former South Chadderton School Site, Butterworth Lane.

Selection of Preferred Developer for Southlink

1 Background

- 1.1 Following the closure of the former South Chadeerton School in July 2012, Collective Spirit opened in September 2013. In May 2016, the school had its first Ofsted inspection and was deemed to be 'inadequate'. In June 2017, the school announced that it would close – leaving 210 pupils without a school from September 2017.
- 1.2 In 2020 the Council agreed to acquire the Freehold Interest in the former School for the Department for Education and the building was demolished leaving a cleared secured site.
- 1.3 A Housing Delivery Strategy was approved by Cabinet in March 2022 that set out a series of recommendations for the Council to drive forward a programme of housing development activity and the former south Chadderton school site was identified as suitable to help meet these ambitions.
- 1.4 In March 2024 Cabinet Approved 'A local response to the national housing crises' Report to accelerate the development and delivery of truly affordable homes and set out ambitions towards low/zero carbon.

2 Current Position

- 2.1 The disposal was managed by CBRE via a competitive land sale utilising a two-stage formal tender process. First round bids were invited for the 25th September 2024 on a "Subject-to-Planning" basis. To support the disposal a series of technical reports which detailed site-specific constraints and shaped an indicative masterplan. This provided bidders with a degree of certainty on site capacity to reduce the likelihood of caveats being attached to offers.
- 2.2 Sales particulars, which included details of the property, planning and development brief and disposal process were provided. The particulars were circulated amongst CBRE's database of active developers and investors in the Northwest and Nationwide. 10 bids were submitted.
- 2.3 Given the low variance in the financial offers between the top seven bidders, CBRE invited those parties to provide responses to clarifications.
- 2.4 A further bid comparison was undertaken between the top two bids was undertaken to access the risks with each offer:
- 2.5 This demonstrated that Rowland's offer was not only the strongest from a financial standpoint but also provides for a significantly reduced risk of non-delivery or re-negotiation.
- 2.6 All homes will be built to the Government's Future Homes Standard that will ensure:
 - Carbon emissions are reduced by 75-80% compared to current standards, contributing significantly to reaching net-zero goals.
 - Low-carbon heating systems like heat pumps, ensuring homes are both energy-efficient and environmentally friendly are utilised.
 - Focusing on fabric efficiency by improving insulation, minimising heat loss, and creating well-sealed structures.

Rowland's proposal provides 149 homes (Scheme Outline can be found at Appendix 1) in the following tenure split:

- Open Market Sale – 89 units
- Social Rent – 15 units
- Affordable Rent – 15 units
- Shared Ownership – 15 units
- First Homes – 15 units

3 **Options/Alternatives**

Option 1 – Select Rowland Homes

This bid provides the most economically advantageous offer to the Council as well as achieving other objectives around the provision of truly affordable homes and low carbon credentials.

Option 2 – Remarket the site.

Given the number and level of bids received on the site, it is unlikely that the current offer would be improved should the site be remarketed.

4 **Preferred Option**

4.1 Option 1 is the preferred option.

5 **Consultation**

5.1 Ward Members have been consulted.

6 **Financial Implications**

6.1 Contained within the Part B Report.

7 **Legal Implications**

7.1 Contained within the Part B Report.

8 **Equality Impact, including implications for Children and Young People**

8.1 No

9 **Key Decision**

9.1 Yes

10 **Key Decision Reference**

10.1 ESR-26-24.

11 **Background Papers**

11.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act :

File Ref : South Chadderton

Name of File : Marketing 2023/4
Records held in Economy Directorate
Officer Name : Ben Hill
Contact No : 0161 770 5261

12 **Appendices**

12.1 Rowland's proposed scheme.



Rowland- South
Chadderton Layout